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RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
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RUEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC  
RUEHC/DEPT OF INTERIOR WASHINGTON DC  
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RHMFISS/DEPT OF ENERGY WASHINGTON DC  
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UNCLAS SECTION 01 OF 02 MONTERREY 000297

SIPDIS

STATE PASS TO ONDCP

E.O. 12958: N/A

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PREL, PGOV, MX

SUBJECT: MONTERREY TO HOST 2009 BORDER GOVERNOR'S CONFERENCE

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11. Summary. The 17th annual Border Governor's Conference, slated for September 2 - 4 in Monterrey, is billed as the largest bi-national venue of its kind. The governors of all ten border states, joined by Foreign Minister Espinosa and Mexican Ambassador Sarukhan, are expected to attend this meeting to address issues affecting this unique border region that shares strong cultural and environmental ties. Many agreements are undertaken on the state-to-state level and this year's conference will feature recommendations from 13 working groups on the environment, wildlife protection, education, logistics and international crossings, energy, agriculture, economic development, border security, emergency and civil protection, health, science and technology, tourism, and water. The conference will also introduce a new Border Strategic Master Plan that will serve as the roadmap for bi-national cooperation along the border. End Summary.

12. The U.S.-Mexico border region is the focal point of most of the major social, economic and environmental issues facing both countries. The border includes the U.S. states of California, Arizona, New Mexico and Texas and the Mexican states of Baja California, Sonora, Chihuahua, Coahuila, Nuevo Leon and Tamaulipas. With a rapidly growing population currently at 83 million, the region is facing increased demands for infrastructure and environmental challenges and opportunities at all levels of government. The region remains an economic powerhouse - border states GDP currently accounts for 25% of the total of both countries. (Note: The definition of the border region used by the conference - the entirety of the 10 states along the border - differs from the North American Development Bank (NADB) and the Border Environment Cooperation Commission (BECC) definition which only includes a swath of territory 100km deep on the U.S. side and 300km deep on the Mexican side. End Note. )

13. While many issues will be discussed at the conference, security, the economy and the environment will take precedence. Violence in the border has risen dramatically since President Calderon started his offensive against the drug cartels.

Narco-related deaths will likely reach a record in 2009 and Mexico has seen more drug violence spill over into civil society. All states along the border are actively pressuring their respective federal governments to do more to curb narco-related violence and will likely request additional federal funding. The border states are also looking for ways to share resources and information between law enforcement agencies on a state level. Previously, the Border Governor's Conference had pushed for the formation of an informal mechanism of contacts between federal, state, and local police on both sides of the border. While such an organization was created, given concerns from the U.S. side about the transparency and reliability of Mexican interlocutors that effort appears to have stalled. Two specific issues expected to be raised by Mexican states at the upcoming meeting are the importation of weapons and bulk cash into Mexico.

¶4. On the second issue of the economy, Northern Mexican states, where many American businesses and maquilas are located, are highly dependent on trade with the United States. Oftentimes up to 90% of the state's exports will head north and a surprising large number of these transactions are with a neighboring U.S. border state. The members of the economic development working group plan to offer recommendations on how to improve competitiveness in the region and save employment during the economic recession. In 2009, Mexico's economy will likely fall far more than the U.S. economy. Most economists feel the worse of the recession is over, but the border states are preparing to cope with a long recovery period.

¶5. For the third major issue, the environment, the conference  
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will highlight energy and water concerns. The border region has water-limited conditions and conservation measures and projects to increase water supply are essential. As for energy, the border governor's representatives will be looking for ways to promote renewable energy sources and to reduce greenhouse gas emissions from the area's factories. The northern Mexican states are already leading Mexico's efforts to promote clean technologies. They will look to expand these projects as they view environmentally-friendly production essential for continued growth in the region. The U.S. states have a strong incentive to cooperate on environmental issues since pollution on one side of the border hardly ever remains on the same side.

¶6. The highlight of the conference will be the presentation of the Border Area Strategic Master Plan (or "Plan Indicativo" in Spanish) by the Woodrow Wilson International Center and Mexico's Colegio de la Frontera Norte. Focused around the major issues of competitiveness, sustainability and security, the Strategic Master Plan aims to be the roadmap for creating an open, efficient and high functioning border area. The plan will consist of concrete medium and long term goals that will encompass all relevant stakeholders in government, the private sector and academia. Nuevo Leon Governor Jose Natividad Gonzalez Paras had hoped that the binational Pacific Council would be able to release its recommendations on U.S.-Mexico relations at the Border Governor's Conference, but it now appears that the Pacific Council document will be launched separately.

¶7. Comment: The organizers of this year's conference have welcomed USG Executive branch participation in the conference. (At previous conferences, state-level officials were not completely informed of federal opinions and regulations.) Additionally, many of the resolutions from the conference will call on federal governments to take action. If your office is

interested in sending a representative, please contact  
Monterrey's Political and Economic Officer Tim Hall at  
HallTO@state.gov. End Comment.  
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